

*Bureau of Real Estate
of the
State of California*

**FINAL SUBDIVISION PUBLIC REPORT
PLANNED DEVELOPMENT**

In the matter of the application of

WH LA BARRANCA 9, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

FILE NO.: 144580LA-F00

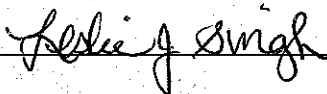
ISSUED: SEPTEMBER 24, 2015

EXPIRES: SEPTEMBER 23, 2020

for a Final Subdivision Public Report on

TRACT NO. 5631
"LA BARRANCA"

BUREAU OF REAL ESTATE

by 
Leslie J. Singh

VENTURA COUNTY, CALIFORNIA

CONSUMER INFORMATION

- ◆ **This report is not a recommendation or endorsement of the subdivision; it is informative only.**
- ◆ **Buyer or lessee must sign that (s)he has received and read this report.**
- ◆ A copy of this subdivision public report along with a statement advising that a copy of the public report may be obtained from the owner, subdivider, or agent at any time, upon oral or written request, *must* be posted in a conspicuous place at any office where sales or leases or offers to sell or lease interests in this subdivision are regularly made. [Reference Business and Professions (B&P) Code Section 11018.1(b)]

This report expires on the date shown above. All material changes must be reported to the Bureau of Real Estate. (Refer to Section 11012 of the B&P Code; and Chapter 6, Title 10 of the California Administrative Code, Regulation 2800.) Some material changes may require amendment of the Public Report; which Amendment must be obtained and used in lieu of this report.

Section 12920 of the California Government Code provides that the practice of discrimination in housing accommodations on the basis of race, color, religion, sex, marital status, domestic partnership, national origin, physical handicap, ancestry, gender identity, gender expression, sexual orientation, familial status, source of income, disability, or genetic information is against public policy.

Under Section 125.6 of the B&P Code, California real estate licensees are subject to disciplinary action by the Real Estate Commissioner if they discriminate or make any distinction or restriction in negotiating the sale or lease of real property because of the race, color, sex, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, or physical handicap of the client. If any prospective buyer or lessee believes that a licensee is guilty of such conduct, (s)he should contact the Bureau of Real Estate.

Read the entire report on the following pages before contracting to buy or lease an interest in this subdivision.

COMMON INTEREST DEVELOPMENT GENERAL INFORMATION

Common Interest Development

The project described in the attached Subdivision Public Report is known as a common-interest development. Read the Public Report carefully for more information about the type of development. The development includes common areas and facilities which will be owned and/or operated by an owners' association. Purchase of a lot or unit automatically entitles and obligates you as a member of the association and, in most cases, includes a beneficial interest in the areas and facilities. Since membership in the association is mandatory, you should be aware of the following information before you purchase:

Governing Instruments

Your ownership in this development and your rights and remedies as a member of its association will be controlled by governing instruments which generally include a Declaration of Restrictions (also known as CC&R's), Articles of Incorporation (or association) and bylaws. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law. Study these documents carefully before entering into a contract to purchase a subdivision interest.

Assessments

In order to provide funds for operation and maintenance of the common facilities, the association will levy assessments against your lot or unit. If you are delinquent in the payment of assessments, the association may enforce payment through court proceedings or your lot or unit may be liened and sold through the exercise of a power of sale. The anticipated income and expenses of the association, including the amount that you may expect to pay through assessments, are outlined in the proposed budget. Ask to see a copy of the budget if the subdivider has not already made it available for your examination.

Common Facilities

A homeowner association provides a vehicle for the ownership and use of recreational and other common facilities which were designed to attract you to buy in this development. The association also provides a means to accomplish architectural control and to provide a base for homeowner interaction on a variety of issues. The purchaser of an interest in a common-interest development should contemplate active participation in the affairs of the association. He or she should be willing to serve on

the board of directors or on committees created by the board. In short, "they" in a common interest development is "you". Unless you serve as a member of the governing board or on a committee appointed by the board, your control of the operation of the common areas and facilities is limited to your vote as a member of the association. There are actions that can be taken by the governing body without a vote of the members of the association which can have a significant impact upon the quality of life for association members.

Subdivider Control

Until there is a sufficient number of purchasers of lots or units in a common interest development to elect a majority of the governing body, it is likely that the subdivider will effectively control the affairs of the association. It is frequently necessary and equitable that the subdivider do so during the early stages of development. It is vitally important to the owners of individual subdivision interests that the transition from subdivider to resident-owner control be accomplished in an orderly manner and in a spirit of cooperation.

Cooperative Living

When contemplating the purchase of a dwelling in a common interest development, you should consider factors beyond the attractiveness of the dwelling units themselves. Study the governing instruments and give careful thought to whether you will be able to exist happily in an atmosphere of cooperative living where the interests of the group must be taken into account as well as the interests of the individual. Remember that managing a common interest development is very much like governing a small community ... the management can serve you well, but you will have to work for its success. [B & P Code Section 11018.1(c)]

Informational Brochure

The Bureau of Real Estate publishes the Common Interest Development Brochure. The information in this brochure provides a brief overview of the rights, duties and responsibilities of both associations and individual owners in common interest developments. To obtain a free copy of this brochure, please send your request to:

Book Orders
Bureau of Real Estate
P.O. Box 137006
Sacramento, CA 95813-7006

RE 646 (Rev. 12/99)

SPECIAL NOTES

THIS REPORT COVERS ONLY LOTS 1 THROUGH 9, INCLUSIVE, AND ASSOCIATION PROPERTY LOT A OF TRACT 5631.

EXTENSION PAYMENT: THE "PURCHASE CONTRACT AND ESCROW INSTRUCTIONS" INTENDED FOR USE BY THE SUBDIVIDER INCLUDES A PROVISION, IN PART, AS FOLLOWS:

SECTION 4(D) DELAYS DUE TO BUYER. IN THE EVENT THIS ESCROW DOES NOT CLOSE UPON THE CLOSING DATE DUE TO BUYER'S FAILURE TO TIMELY PERFORM ITS OBLIGATION UNDER THIS CONTRACT, BUYER ACKNOWLEDGES SELLER WILL BE MATERIALLY HARMED DUE TO ADDITIONAL EXPENSES THAT WILL BE INCURRED BY SELLER AS CARRYING COSTS FOR THE PROPERTY (WHICH INCLUDE, WITHOUT LIMITATION, LOAN INTEREST CHARGES, PROPERTY TAXES AND INSURANCE COSTS). THEREFORE, IN SUCH EVENT, BUYER AGREES THAT SELLER SHALL HAVE THE RIGHT TO TERMINATE THIS CONTRACT AND RETAIN ALL BUYER'S DEPOSIT AS LIQUIDATED DAMAGES UNDER SECTION 13; PROVIDED HOWEVER, THAT BUYER MAY MAKE A WRITTEN REQUEST TO EXTEND THE CLOSING DATE BY PAYING SELLER'S DAILY CARRYING COSTS APPLICABLE TO THE PROPERTY DURING THE PERIOD OF SUCH DELAY WHICH SELLER AND BUYER HEREBY AGREE WILL BE IN THE AMOUNT OF **\$450.00** PER DAY ("EXTENSION PAYMENT"), WHICH REQUEST MAY BE APPROVED OR DENIED BY SELLER IN ITS SOLE AND ABSOLUTE DISCRETION, BY WRITTEN NOTICE TO BUYER.

CAPITAL CONTRIBUTION: THE "PURCHASE CONTRACT AND ESCROW INSTRUCTIONS" INTENDED FOR USE BY THE SUBDIVIDER INCLUDES A PROVISION, AS FOLLOWS:

SECTION 17(C) ADDITIONAL ASSESSMENTS. BUYER ACKNOWLEDGES AND AGREES THAT AT CLOSE OF ESCROW, BUYER SHALL PAY TO THE ASSOCIATION, THROUGH ESCROW, A CAPITAL CONTRIBUTION IN THE AMOUNT OF **\$476.00**. THESE CAPITAL CONTRIBUTIONS REPRESENT "START-UP" FUNDS FOR OPERATING THE COMMON PROPERTY AND ARE NOT A PREPAYMENT OF ANY ANNUAL ASSESSMENTS. THERE IS NO GUARANTEE THAT, UPON A SUBSEQUENT RESALE OF THE PROPERTY BY BUYER TO ANOTHER PURCHASER, BUYER WILL OBTAIN A REFUND OF THIS CAPITAL CONTRIBUTION.

BEFORE SIGNING, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL CONTRACT AND LOAN DOCUMENTS. IF YOU DO NOT UNDERSTAND THE TERMS OF YOUR PURCHASE CONTRACT OR LOAN DOCUMENTS, YOU MAY WISH TO CONSIDER CONSULTING WITH YOUR OWN ATTORNEY BEFORE ENTERING INTO A CONTRACT TO PURCHASE PROPERTY.

SPECIAL INTEREST AREAS IN THIS FINAL REPORT: YOUR ATTENTION IS ESPECIALLY DIRECTED TO THE PARAGRAPHS BELOW ENTITLED: MANAGEMENT AND OPERATION [THE CC&RS]; MAINTENANCE AND OPERATIONAL EXPENSES [PROPOSED BUDGET, CAPITAL CONTRIBUTION]; USES/ ZONING/HAZARDS DISCLOSURES [HAZARDS]; TITLE [MINERAL RIGHTS], TAXES [SPECIAL TAXES & ASSESSMENTS], SOILS AND GEOLOGIC CONDITIONS, UTILITIES AND OTHER SERVICES [SHARED DRIVEWAY (LOT 8 AND LOT 9)].

NOTE: IN ADDITION TO THESE AREAS, IT IS IMPORTANT TO READ AND THOROUGHLY UNDERSTAND THE REMAINING SECTIONS SET FORTH IN THIS FINAL SUBDIVISION PUBLIC REPORT PRIOR TO ENTERING INTO A CONTRACT TO PURCHASE.

PRELIMINARY SUBDIVISION PUBLIC REPORT: IF YOU HAVE RECEIVED A PRELIMINARY PUBLIC REPORT FOR THIS SUBDIVISION, YOU ARE ADVISED TO CAREFULLY READ THIS FINAL PUBLIC REPORT SINCE IT CONTAINS INFORMATION THAT IS MORE CURRENT AND PROBABLY DIFFERENT FROM THAT INCLUDED IN THE PRELIMINARY REPORT.

THE USE OF THE TERM "**PUBLIC REPORT**" SHALL MEAN AND REFER TO THIS FINAL PUBLIC REPORT.

OVERVIEW OF SUBDIVISION

Location: This subdivision is located at Foothill Road and Valleyview Way, within the city limits of San Buenaventura. Prospective purchasers should acquaint themselves with the kinds of city services available.

Type of Subdivision: This subdivision is a common interest development of the type referred to as a planned development. It includes common areas and common amenities which will be maintained by an incorporated association.

Interest to Be Conveyed: You will receive fee title to a specified lot together with a membership in La Barranca Association, Inc. ("**Association**") and rights to use the Association Property, subject to the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for La Barranca ("**CC&Rs**") and other Governing Documents (as defined below).

About this project: This is a single phase subdivision which consists of approximately 3.83 acres divided into 9 residential lots, in addition to Association Property consisting of landscaping (slope, irrigation controller, native), V-Ditchers (concrete), mailboxes (clustered), fences and walls (retaining wall, 6' stucco walls). The estimated completion date is December 2015.

Sale of all Residence: The Subdivider has indicated that he intends to sell all of the lots in this subdivision; however, any owner, including the Subdivider, has a legal right to rent or lease the lots.

SUBDIVIDER AND PURCHASER OBLIGATIONS: IF YOU PURCHASE FIVE OR MORE LOTS FROM THE SUBDIVIDER, THE SUBDIVIDER IS REQUIRED TO NOTIFY THE REAL ESTATE COMMISSIONER OF THE SALE. IF YOU INTEND TO SELL YOUR INTERESTS OR LEASE THEM FOR TERMS LONGER THAN ONE YEAR, YOU ARE REQUIRED TO OBTAIN AN AMENDED SUBDIVISION PUBLIC REPORT BEFORE YOU CAN OFFER THE INTERESTS FOR SALE OR LEASE.

NOTE: WHEN YOU SELL YOUR LOT TO SOMEONE ELSE, YOU MUST GIVE THAT PERSON COPIES OF THE DECLARATION, ARTICLES, BYLAWS AND OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION AND A TRUE STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS, PENALTIES, ATTORNEY'S FEES OR OTHER CHARGES, PROVIDED BY THE DECLARATION OR OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION ON THE LOT AS OF THE DATE THE STATEMENT WAS ISSUED.

WARNING: IF YOU FORGET TO DO THIS, IT MAY COST YOU A PENALTY OF \$500.00 – PLUS ATTORNEY'S FEES AND DAMAGES (SEE CIVIL CODE SECTIONS 4540).

Completion of Common Area: The Subdivider estimates all common area improvements, amenities and facilities will be completed by approximately December, 2015.

No escrows will close until completion of all common area improvements, amenities and facilities have been completed, and a Notice of Completion has been filed and the statutory period for recordation of mechanic's liens have expired. If the period for all recordation of mechanic's liens has not expired, a title policy (paid by Subdivider) shall be issued to each purchaser and the Association containing an endorsement against unrecorded mechanic's liens arising from work performed by Subdivider (Section 11018.5 of the Business & Professions Code.)

NOTWITHSTANDING ANY PROVISION IN THE PURCHASE CONTRACT TO THE CONTRARY, A PROSPECTIVE BUYER HAS THE RIGHT TO NEGOTIATE WITH THE SUBDIVIDER TO ALLOW AN INSPECTION OF THE PROPERTY BY THE BUYER OR THE BUYER'S DESIGNEE UNDER TERMS MUTUALLY AGREEABLE TO THE PROSPECTIVE BUYER AND SUBDIVIDER.

MANAGEMENT AND OPERATION

Association Obligations and Governing Documents: The Association, of which you become a member at time of purchase, is governed by and manages, maintains, and operates the subdivision in accordance with the Covenants, Conditions and Restrictions (the "**CC&Rs**"), the Articles of Incorporation ("**Articles**") and the Bylaws. In addition, the Association has the right to adopt rules and regulations and guidelines for the subdivision and which will include subdivision design/architectural guidelines which will set forth the guidelines and procedures for design/architectural review within the subdivision. There may also be supplementary declarations or notices of annexation ("**Supplementary Declarations**") which will be recorded against portions of the

subdivision which may set forth additional restrictions and easements covering the areas covered by the Supplementary Declaration(s) (the CC&Rs, Bylaws, Articles, Supplementary Declaration (s) and rules and regulations and design/architectural guidelines may hereinafter be referred to as the "**Governing Documents**"). You should review each of these documents carefully.

INITIAL MEETING: THE ASSOCIATION WILL BE FORMED PURSUANT TO THE TERMS AND PROVISIONS OF GOVERNING DOCUMENTS. SINCE THE COMMON AREA IMPROVEMENTS, AMENITIES, AND FACILITIES WILL BE MAINTAINED BY THE ASSOCIATION, IT IS ESSENTIAL THAT THIS ASSOCIATION BE FORMED EARLY AND PROPERLY. THE ASSOCIATION MUST HOLD THE FIRST MEMBERSHIP MEETING AND ELECTION OF THE ASSOCIATION'S GOVERNING BODY WITHIN 45 DAYS AFTER 51% SELL OUT OF THE INTERESTS AUTHORIZED FOR SALE UNDER THE FIRST FINAL PUBLIC REPORT FOR THE SUBDIVISION. HOWEVER, IN NO EVENT SHALL THE MEETING BE HELD LATER THAN SIX MONTHS AFTER THE CLOSING OF THE SALE OF THE FIRST SUBDIVISION INTEREST. (REGULATIONS 2792.17 AND 2792.19) THE ASSOCIATION MUST ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT. THEREAFTER THE ASSOCIATION MUST HOLD ELECTIONS OF THE ASSOCIATION'S GOVERNING BODY IN ACCORDANCE WITH THE GOVERNING DOCUMENTS. THE ASSOCIATION MUST THEN ALSO PREPARE AND DISTRIBUTE TO ALL HOMEOWNERS A BALANCE SHEET AND INCOME STATEMENT AND A SUMMARY OF THE ASSOCIATION'S RESERVES BASED UPON THE MOST RECENT REVIEW OR STUDY CONDUCTED PURSUANT TO SECTIONS 5500 ET. SEQ. OF THE CIVIL CODE.

The CC&Rs: This subdivision is subject to the "Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for La Barranca" (CC&Rs) recorded August 13, 2015 as Instrument No. 20150813-00122602-0, in the Office of the Ventura County Recorder.

THE SUBDIVIDER TO INCORPORATE INTO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS AND OTHER MANAGEMENT INSTRUMENTS, PROVISIONS WHICH GIVE THE MORTGAGE LENDER A VOICE IN THE AFFAIRS OF THE HOMEOWNER'S ASSOCIATION AND IN THE MANAGEMENT AND OPERATION OF THE SUBDIVISION WHICH A LENDER DOES NOT ORDINARILY HAVE.

FOR INFORMATION AS TO YOUR OBLIGATIONS AND RIGHTS, YOU SHOULD READ THE DECLARATION. THE SUBDIVIDER MUST MAKE IT AVAILABLE TO YOU.

Documents to be Furnished: THE SUBDIVIDER STATED IT WILL FURNISH THE CURRENT BOARD OF OFFICERS OF THE ASSOCIATION AND EACH INDIVIDUAL PURCHASER WITH THE BUREAU OF REAL ESTATE REVIEWED ASSOCIATION BUDGET.

THE SUBDIVIDER MUST MAINTAIN AND DELIVER TO THE ASSOCIATION THE SPECIFIC RECORDS AND MATERIALS LISTED IN REAL ESTATE

COMMISSIONER'S REGULATION 2792.23 WITHIN THE STATED TIME PERIOD. THESE RECORDS AND MATERIALS DIRECTLY AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ITS DUTIES AND RESPONSIBILITIES (SECTION 11018.5 OF THE BUSINESS AND PROFESSIONS CODE AND SECTION 4800 OF THE CIVIL CODE).

THE SUBDIVIDER SHALL MAKE A COPY OF THE DECLARATION, THE ARTICLES, AND THE BYLAWS, AVAILABLE FOR EXAMINATION BY A PROSPECTIVE BUYER BEFORE EXECUTION OF AN OFFER TO PURCHASE A LOT. A COPY OF EACH MUST ALSO BE GIVEN TO EACH BUYER AS SOON AS PRACTICABLE, PRIOR TO CLOSE OF ESCROW. THESE DOCUMENTS CONTAIN NUMEROUS MATERIAL PROVISIONS THAT SUBSTANTIALLY AFFECT AND CONTROL YOUR RIGHTS, PRIVILEGES, USE, OBLIGATIONS, AND COSTS OF MAINTENANCE AND OPERATION. YOU SHOULD READ AND UNDERSTAND THESE DOCUMENTS BEFORE YOU OBLIGATE YOURSELF TO PURCHASE A LOT (SECTION 11018.6 BUSINESS AND PROFESSIONS CODE.)

MAINTENANCE AND OPERATIONAL EXPENSES

Association to Levy Assessments: THE ASSOCIATION HAS THE RIGHT TO LEVY ASSESSMENTS AGAINST YOU FOR MAINTENANCE OF THE COMMON AREAS, AND OTHER PURPOSES. YOUR CONTROL OF OPERATIONS AND EXPENSES IS LIMITED TO THE RIGHT OF YOUR ELECTED REPRESENTATIVES TO VOTE ON CERTAIN PROVISIONS AT MEETINGS.

Proposed Budget: The Subdivider has submitted a budget for the maintenance and operation of the Association obligations and for long-term reserves. This budget was reviewed by the Bureau of Real Estate on February, 2015. You should obtain a copy of this budget from the Subdivider.

Under this budget, the monthly assessment against each subdivision interest will be **\$238.00** of which \$12.85 is the monthly contributions toward long-term reserves and is not to be used to pay for current management, maintenance and operating expenses.

The State of California, Bureau of Real Estate budget reviewer further comments as follows:

"NOTE: Owners of Lots 8 and 9 will share the maintenance responsibility of the access road/drive that serves lots 8 and 9. Per statement from an engineer submitted by the subdivider, the estimated annual cost of the access road/drive is \$2,000. This does not include the insurance.

Capital Contribution: On the acquisition of record title to a Lot, each buyer of a Lot shall contribute to the capital of the Association such amounts as are required under the FHA/VA Requirements to cover the initial months of operation of the Community. This contribution shall be deposited by the buyer into a purchase and sale escrow and disbursed therefrom to the Association, or to Subdivider (if Subdivider has previously advanced such fund on the Owner's behalf)."

IF THE BUDGET FURNISHED TO YOU BY THE SUBDIVIDER SHOWS A MONTHLY ASSESSMENT FIGURE WHICH IS AT LEAST 20% MORE OR AT LEAST 10% LESS THAN THE ASSESSMENT AMOUNT SHOWN IN THIS PUBLIC REPORT, YOU SHOULD CONTACT THE BUREAU OF REAL ESTATE BEFORE ENTERING INTO AN AGREEMENT TO PURCHASE.

NOTE: THE BUDGET INFORMATION INCLUDED IN THIS PUBLIC REPORT IS APPLICABLE AS OF THE DATE OF BUDGET REVIEW AS SHOWN ABOVE. EXPENSES OF OPERATION ARE DIFFICULT TO PREDICT ACCURATELY AND EVEN IF ACCURATELY ESTIMATED INITIALLY, MOST EXPENSES INCREASE WITH THE AGE OF FACILITIES AND WITH INCREASES IN THE COST OF LIVING.

Budget Information Provided by Subdivider: DELINQUENCIES IN THE PAYMENT OF ASSOCIATION ASSESSMENTS AFFECT THE ABILITY OF THE ASSOCIATION TO PERFORM ANY OR ALL OF ITS RESPONSIBILITIES AND COULD ALSO RESULT IN UNFORESEEN SPECIAL ASSESSMENTS LEVIED AGAINST ALL LOTS OR A SIGNIFICANT REDUCTION IN BUDGETED ASSOCIATION SERVICES. THE SUBDIVIDER MUST IMMEDIATELY NOTIFY THE BUREAU OF REAL ESTATE IN WRITING, IF DELINQUENT ASSESSMENTS HAVE CAUSED THE ASSOCIATION TO RECEIVE TEN PERCENT (10%) LESS INCOME THAN REFLECTED IN THE THEN CURRENT ASSOCIATION BUDGET (REGULATION 2800K).

THE SUBDIVIDER MUST MAKE AVAILABLE TO YOU A STATEMENT CONCERNING ANY DELINQUENT ASSESSMENTS AND RELATED CHARGES AS PROVIDED BY THE GOVERNING DOCUMENTS AND, IF AVAILABLE, CURRENT FINANCIAL AND RELATED STATEMENTS (SEE BUSINESS AND PROFESSIONS CODE SECTION 11018.6).

In addition to other documentation provided to each prospective Buyer, a copy of the current financial information, and related statements, to the extent available, as specified by Section (a) of Civil Code Section 4525 must be made available for examination by a prospective Buyer before the execution of an offer to purchase a Lot. A copy of this financial information must also be given to each Buyer as soon as practicable before close of escrow. YOU SHOULD PAY SPECIAL ATTENTION TO THIS FINANCIAL INFORMATION, AS IT PERTAINS TO CURRENT AND POSSIBLE FUTURE FINANCIAL OBLIGATIONS AFFECTING ALL HOMEOWNERS WITHIN THE ASSOCIATION. If you do not understand the contents of these financial documents, you may wish to consult with your own professional advisors. Should the amounts collected by the Association prove insufficient to properly maintain, operate, repair or replace the common facilities, the Association may increase Regular Assessments or levy one or more Special Assessments in accordance with the Governing Documents in order to provide such funding. As an alternative, the Association may decide to defer maintenance or eliminate services. Also, this may affect your ability to purchase.

Exemptions from Association Regular Assessments: The Covenants, Conditions and Restrictions provide that the subdivider or other owner of a subdivision interest will be allowed to defer from payment, that portion of any assessment which is directly attributable to any structural improvement and/or common facility that is not complete at

the time assessments commence. The amount of the deferment may be a fixed amount, or may vary based upon dates of completion or use. Once the established criterion is met and the authority allowing the deferment is eliminated, all owners must pay the full amount of the monthly assessment as outlined herein. The limitations of this allowance are specifically set forth in the Restrictions. (Regulation 2792.16c).

Utility Rate: The utility rates used for the calculations within this budget are based on information available at the time of the budget review date (as shown above). Increases in regular assessments or special assessment may be required as a measure to provide adequate funds to compensate for potential utility rate increases. Purchasers should be aware of the possible effect these increases may have on their homeowner assessments.

Assessments Increases/Decreases: The Association may increase or decrease assessments at any time in accordance with the procedure prescribed in the Declaration or Bylaws. In considering the advisability of a decrease (or a smaller increase) in assessments, care should be taken not to eliminate amounts attributable to reserves for replacement or major maintenance.

Commencement of Assessments: Regular assessments for the Association will commence on all lots on the first day of the month following the conveyance of the first subdivision interest. The Subdivider must pay assessments to the Association for all unsold lots (Regulations 2792.9 and 2792.16).

Failure to Pay: The remedies available to the Association against owners who are delinquent in the payment of assessments are set forth in the Declaration. These remedies are available against the Subdivider as well as against other owners.

Subdivider's Assessment Security: The Subdivider has posted a bond in the amount of \$12,852.00, as partial security for its obligation to pay the assessments. The governing body of the Association should assure itself that the Subdivider has satisfied its obligations to the Association with respect to the payment of assessments before agreeing to a release or exoneration of the security.

Capital Contribution: Pursuant to Section 5.11 of the CC&Rs, each owner, upon acquisition of title from the Subdivider, each owner of a lot shall contribute an amount equal to two months of the Annual Assessment, which currently is approximately four hundred seventy-six dollars (\$476.00), to a working capital fund of the Association. This amount shall be deposited by buyer into escrow and disbursed therefrom to the Association or Subdivider, if Subdivider has previously advanced such funds to the Association with respect to this capital contribution obligation. These capital contributions represent "start-up" funds for operating the common property and are not a prepayment of any annual assessment.

USES / ZONING / HAZARDS DISCLOSURES

The Subdivider has set forth below references to various uses, zoning, hazards and other matters based on information from a variety of sources. You should independently verify the information regarding these matters, as well as all other matters, that may be of concern to you regarding the subdivision and all existing, proposed or possible future uses adjacent to or in the vicinity of the subdivision. At the time this Public Report was issued, some of the land uses that surround the subdivision include, but are not limited to, the following:

Zoning: The zoning of the land surrounding this project are as follows:

North: Residential / Open Space

East: Residential / Open Space

South: Residential

West: Residential / Open Space / Arroyo Verde Park

Uses: Significant surrounding property uses are as follows:

- Arroyo Verde Park is located approximately ¼ mile west and Sexton Canyon is ¼ mile east of this project.
- Christian Science Church and Poinsettia Elementary School are approximately ½ mile east of this project.
- Church of the Foothills is approximately one mile east of this project.
- Ventura College and the Church of Latter Day Saints are approximately one mile south of this project.

Hazards: The subdivider advises that the following hazards exist within or near this subdivision:

The Subdivider has advised that all or portions of the subdivision subject to this Subdivision Public Report are located within a Very High Fire Hazard Severity Zone. Additionally, the Subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Government Code Section 51183.5

The Subdivider has advised that all or portions of the subdivision subject to this Public Report are located within a Seismic Hazard Zone. Additionally, the Subdivider has advised that prospective purchasers within this Zone will be provided a separate disclosure required under Public Resources Code Section 2694.

If any disclosures, or any material amendment to any disclosures, required to be made by the Subdivider regarding these natural hazards are delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery by deposit in the mail to terminate the offer by delivery of a written notice of termination to the Subdivider or the Subdivider's agent.

If your lot is located within one or more natural hazard areas, your ability to obtain homeowner's insurance or receive assistance after a disaster may be affect. You should contact your lender and insurance carrier for more information regarding types of LJS/os

insurance and costs to cover your property. Additionally, since purchasers are not required to receive a separate disclosure for property owned by the Association, you should also contact the Association regarding any assessment increases due to additional insurance costs associated with the Statutory Natural Hazard areas which may affect the Association maintained areas, if any.

Notice of Right to Farm: This property is located within one mile of a farm or ranch land designated on the current county-level GIS "Important Farmland Map" issued by the California Department of Conservation, Division of Land Resource Protection. Accordingly, the property may be subject to inconveniences or discomforts resulting from agricultural operations that are a normal and necessary aspect of living in a community with a strong rural character and a healthy agricultural sector. Customary agricultural practices in farm operations may include, but are not limited to noise, odors, dust, light, insects, the operation of pumps and machinery, the storage and disposal of manure, bee pollination and the ground or aerial application of fertilizers, pesticides and herbicides. THESE AGRICULTURAL PRACTICES MAY OCCUR DURING ANY 24-HOUR PERIOD. Individual sensitivities to those practices can vary from person to person. You may wish to consider the impacts of such agricultural practices before you complete your purchase. Please be advised that you may be barred from obtaining legal remedies against agricultural practices conducted in a manner consistent with proper and accepted customs and standards pursuant to Section 3482.5 of the Civil Code or any pertinent local ordinance.

If any disclosure, or any material amendment to any disclosure, required pursuant to 1103 et seq is delivered after the execution of an offer to purchase, the purchaser shall have three days after delivery in person or five days after delivery in the mail to terminate the offer by delivery of written notice of termination to the Subdivider or the Subdivider's agent.

PURCHASERS SHOULD FAMILIARIZE THEMSELVES WITH THE SURROUNDING AREAS OF THE SUBDIVISION BEFORE SIGNING A PURCHASE CONTRACT.

TITLE

Preliminary Title Report: A Preliminary Title Report will be issued by the title insurer to reflect those items that affect the condition of title. You are encouraged to request a copy of this preliminary report for review of those items that affect the lot you are purchasing. Those items typically shown on a report include, but are not limited to, general and special taxes, easements, mechanic liens, monetary encumbrances, trust deeds, utilities, rights of way and CC&Rs. In most instances, copies of documents can be provided to you upon request.

Additionally the preliminary report shows title, among other things, to be subject to the following:

- Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
Granted to: Southern California Edison Company

Purpose: Pole Lines
Recording Date: June 25, 1952
Recording No.: in Book 1073, Pages 430 of Official Records
Affects: Said land

- Easement(s) for the purpose(s) shown below and rights incidental thereto, as delineated on or as offered for dedication on:

Map/Plat: Tract 5631
Recording No.: in Book 161, Pages 80-93
Purpose: open space
Affects: a portion of Lots 4 thru 9, inclusive

Purpose: drainage
Affects: a portion of Lot 8

Purpose: access for Lot 9
Affects: a portion of Lot 8

Purpose: access and maintenance
Affects: a portion of Lots 1, 2 and 3

- Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or county Project or Special District.

- Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted by the document:

Granted to: Southern California Edison Company
Purpose: Public utilities
Recording Date: May 4, 2015
Recording No.: as Instrument No. 20150504-00066806 of Official Records
Affects: All streets, highways, public places, all of easement note "a" access easement to benefit Lot 9 within six feet of all front lot lines, also three feet on each side of all side lot lines of Lots 1 through 9.

- Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted by the document:

Granted to: Southern California Gas Company
Purpose: Public utilities
Recording Date: July 31, 2015
Recording No.: as Instrument No. 20150731-00116254 of Official Records
Affects: said land

- Matters contained in that certain document
Entitled: Declaration of Alternative Dispute Resolution for La Barranca
Recording Date: August 13, 2015
Recording No.: as Instrument No. 20150813-00122603 of Official Records

Reference is hereby made to said document for full particulars.

Easements: Easements for public utilities; open space; drainage; access; pole lines; access and maintenance for slopes, irrigation pipelines, drainage swales and catch basin; and other purposes are shown on the Title Report and Subdivision Map recorded December 23, 2014 in the Office of the Ventura County Recorder, as Document No. 20141223-00161160-0, Book 161 of Maps, Pages 80 through 83, inclusive.

Adjustments to the original subdivision map may also be recorded. You may ask the Subdivider about such changes. If you purchase a lot, this information will be included in your title policy.

Mineral Rights: You will not own the water, mineral, oil and gas rights under your land below a depth of 500 feet. These will be reserved per your grant deed.

The right to surface entry has been waived.

TAXES

Regular Taxes: The maximum amount of any tax on real property that can be collected annually by counties is 1% of the full cash value of the property. With the addition of interest and redemption charges on any indebtedness, approved by voters prior to July 1, 1978, the total property tax rate in most counties is approximately 1.25% of the full cash value. In some counties, the total tax rate could be well above 1.25% of the full cash value. For example, an issue of general obligation bonds previously approved by the voters and sold by a county water district, a sanitation district or other such district could increase the tax rate.

The total property tax rate for the subdivision is 1.047% for tax year 2013/2014.

For the purchaser of a lot in this subdivision, the "full cash value" of the lot will be the valuation, as reflected on the tax roll, determined by the county assessor as of the date of purchase of the lot or as of the date of completion of an improvement on the lot if that occurs after the date of purchase.

Notice of Your 'Supplemental' Property Tax Bill

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes. The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be

paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your local Tax Collector's Office.

Special Taxes & Assessments: This subdivision lies within the boundaries of a proposed maintenance assessment district, with a name undetermined at this time. The proposed maintenance assessment district will be to provide management, operation and maintenance of street lighting, landscaping and storm water treatment plans and devices. The estimated assessment for 2014 will be **\$925.00** per lot.

FINANCING

If your purchase involves financing, a form of deed of trust and note will be used. The provisions of these documents may vary depending upon the lender selected. These documents may contain the following provisions:

Acceleration Clause: This is a clause in a mortgage or deed of trust which provides that if the borrower (trustor) defaults in repaying the loan, the lender may declare the unpaid balance of the loan immediately due and payable.

Due-on-Sale Clause: If the loan instrument for financing your purchase of an interest in this subdivision includes a due-on-sale clause, the clause will be automatically enforceable by the lender when you sell the property. This means that the loan will not be assumable by a purchaser without the approval of the lender. If the lender does not declare the loan to be all due and payable on transfer of the property by you, the lender is nevertheless likely to insist upon modification of the terms of the instrument as a condition to permitting assumption by the buyer. The lender will almost certainly insist upon an increase in the interest rate if the prevailing interest rate at the time of the proposed sale of the property is higher than the interest rate of your promissory note.

Balloon Payment: This means that your monthly payments are not large enough to pay off the loan, with interest, during the period for which the loan is written and that at the end of the loan period, you must pay the entire remaining balance in one payment. If you are unable to pay the balance and the remaining balance is a sizeable one, you should be concerned with the possible difficulty in refinancing the balance. If you cannot refinance or sell your property, or pay off the balloon payment, you will lose your property.

Prepayment Penalty: This means that if you wish to pay off your loan in whole or in part before it is due, you must, in addition pay a penalty.

Late Charge: This means that if you fail to make your installment payment on or before the due date or within a specified number of days after the due date, you, in addition, must pay a penalty.

Adjustable Rate Loan: The Subdivider may assist you in arranging financing from a federal or state regulated lender which will make loans that allow the interest rates to change over the life of the loan. An interest rate increase ordinarily causes an increase in the monthly payment that you make to the lender. The lender will provide you with a disclosure form about the financing to assist you in the evaluation of your ability to make increased payments during the term of the loan. This disclosure form will be furnished to you at the time you receive your loan application and before you pay a nonrefundable fee.

BEFORE AGREEING TO ANY FINANCING PROGRAM OR SIGNING ANY LOAN DOCUMENTS, YOU SHOULD READ AND THOROUGHLY UNDERSTAND ALL PROVISIONS CONTAINED IN THE LOAN DOCUMENTS.

PURCHASE MONEY HANDLING

The Subdivider must impound all funds received from you in an escrow depository until legal title is delivered to you. [Refer to Sections 11013, 11013.1 and 11013.2(a) of the Business and Professions Code.]

If the escrow has not closed on your residential lot within one (1) year from the date on your "Purchase Contract and Escrow Instructions," you may request return of your purchase money deposit.

NOTE: Section 2995 of the Civil Code provides that no real estate Subdivider shall require as a condition precedent to the transfer of real property containing a single family residential dwelling that escrow services effectuating such transfer shall be provided by an escrow entity in which the Subdivider has a financial interest of 5% or more.

THE SUBDIVIDER HAS NO FINANCIAL INTEREST IN THE ESCROW COMPANY WHICH IS TO BE USED IN CONNECTION WITH THE SALE OR LEASE OF LOTS IN THIS SUBDIVISION.

SOILS AND GEOLOGIC CONDITIONS

Some lots have or will have fill in excess of two (2) feet. Information concerning filled ground, soils conditions and geologic conditions is available at: City of San Buenaventura, 501 Poli Street, Room 117, Ventura, CA 93001.

CALIFORNIA IS SUBJECT TO GEOLOGIC HAZARDS SUCH AS LANDSLIDES, FAULT MOVEMENTS, EARTHQUAKE SHAKING, RAPID EROSION OR SUBSIDENCE. THE INTERNATIONAL BUILDING CODE, APPENDIX J, PROVIDES FOR LOCAL BUILDING OFFICIALS TO EXERCISE PREVENTIVE MEASURES DURING GRADING TO ELIMINATE OR MINIMIZE DAMAGE FROM SUCH GEOLOGIC HAZARDS. THIS SUBDIVISION IS LOCATED IN AN AREA WHERE SOME OF THESE HAZARDS MAY EXIST. SOME CALIFORNIA COUNTIES AND CITIES HAVE

ADOPTED ORDINANCES THAT MAY OR MAY NOT BE AS EFFECTIVE IN THE CONTROL OF GRADING AND SITE PREPARATION.

PURCHASERS MAY CONTACT THE SUBDIVIDER, THE SUBDIVIDER'S ENGINEER, THE ENGINEERING GEOLOGIST AND THE LOCAL BUILDING OFFICIALS TO DETERMINE IF THE ABOVE-MENTIONED HAZARDS HAVE BEEN CONSIDERED AND IF THERE HAS BEEN ADEQUATE COMPLIANCE WITH APPENDIX J OF THE CALIFORNIA BUILDING CODE OR AN EQUIVALENT OR MORE STRINGENT GRADING ORDINANCE DURING THE CONSTRUCTION OF THIS SUBDIVISION.

UTILITIES AND OTHER SERVICES

Water: The City of San Buenaventura will supply water to each lot.

Sewage Disposal: Sewer service to each lot in this subdivision will be provided by the City of San Buenaventura.

You will be required to pay the bi-monthly service charge of \$19.96, plus a flow charge of \$2.91/HCF with a maximum bill of \$107.26 and maximum estuary protection fund charge of \$6.44.

Gas: The Gas Company (877) 238-0092.

Electricity: Southern California Edison (800) 655-4555.

Telephone: AT&T (800) 706-5637.

Fire Protection: The San Buenaventura Station No. 3 is located less than two (2) miles from this project, at 5838 Telegraph Road, San Buenaventura, CA 93003.

Shared Driveway (Lot 8 and Lot 9): Owners of Lots 8 and 9 will equally share the maintenance and repair responsibilities for the shared driveway that serves both Lots 8 and 9. Such shared driveway is located within Lot 8 but is for the use and benefit of both Lots 8 and 9.

The shared driveway will be subject to the Driveway Access Easement described in the CC&Rs, page 41, Section 6.1(e) Driveway Access Easement. The CC&Rs sets forth the rights and obligations of the owners of Lots 8 and 9.

The subdivider's engineer advises (in a letter dated December 8, 2014) as follows:

RE: LA BARRANCA
SHARED ACCESS

"Per your request I am providing you with some information below regarding the shared access road/drive that serves lots 8 and 9 of the La Barranca project.

The estimated annual cost of the road is \$2,000. That budget number is derived from estimated monthly cost of \$50 for cleaning (\$600 annually) plus \$1,400 annual cost for long-term maintenance (ie. repaving every 5-10 years).

There are no specific maintenance conditions for this access road, nor are there any flood hazards since runoff on this access road is conveyed via the curb and gutter down to Andorra Lane."

Schools: This project lies within the Ventura Unified School District. The district advises (in a letter dated October 30, 2014) that schools initially available to this subdivision are as follows:

Poinsettia Elementary School (K-5)
305 N. Victoria Ave.
Ventura, CA 93003
(805) 289-7971

Cabrillo Middle School (6-8)
1426 E. Santa Clara St.
Ventura, CA 93001
(805) 641-5155

Ventura High School (9-12)
2 North Catalina St.
Ventura, CA 93001
(805) 641-5116

The district has also advised that, although they do not have plans at this time to realign the school boundaries for this area, there is no guarantee that in the future, boundary lines will not change or be considered for change. This can occur, if deemed necessary, to balance enrollment sizes.

The above school information was provided prior to the date of issuance of this Public Report and is subject to change. For the most current information regarding school assignments, facilities and bus service, purchasers are encouraged to contact the school district at (805) 641-5000, extension 1202.

CONTACTING THE BUREAU OF REAL ESTATE

If you need clarification as to the statements in this Public Report or if you desire to make arrangements to review the documents submitted by the Subdivider which the Bureau of Real Estate used in preparing this Public Report you may contact:

Bureau of Real Estate
Southern California Office
Subdivisions South
320 West 4th Street, Suite 350
Los Angeles, CA 90013-1105
(213) 576-6980.